

BA 240 Final Study Guide

- What is economics?
 - The study of choice under scarcity, or how we go about choosing how to fulfill our unlimited wants given our limited means.
 - What is opportunity cost? The next best alternative given up when a choice is made.
 - What are the two types of costs? Explicit (where money move) and implicit (opportunity costs, such as time)
 - What do economists mean by 'marginal?' Additional. For example, the cost of producing one more unit of a good.
- What is a club good? How is it applicable in studies of religion?
 - A club good is one in which it is non rival in consumption (multiple people can consume it without other people losing value) but excludable (non payers or non members can be excluded from consuming the good).
 - Club goods reduce free riding (receiving benefits without paying the costs) in religious contexts and provides a way to enforce religious norms or practices.
- Economics of religion
 - Not including the theory of club goods in a religious context, be able to explain a key insight you gained from the *The New Economics of Religion* paper.
- What are the three views of the Protestant Reformation discussed in this course?
 - Theological view: The Catholic Church gradually lost influence as it became more ethically and morally corrupt.
 - Historical view: The Catholic Church took sides in a series of conflicts between emerging northern European states. They often chose the wrong side which led to the Protestant Reformation.
 - Economic view: The Catholic Church was a state sponsored religious monopoly and monopolies behave inefficiently, opening the possibility for new more efficient competitors.
- Be able to explain the economic view of the Protestant Reformation in more detail.
 - See above, but be able to provide more than just the short summary above. Give examples of how the Catholic Church was corrupt and how that brought about entry by new competitors (Protestants).
- Be able to distinguish the four views of a biblical economics discussed in *Economic Shalom*.
 - Rauschenbusch: Christianity should be reinterpreted given the social crisis of the time (The Industrial Revolution). The social principles (Social Gospel) of the church should lead to society being reorganized (economic reform) such that the social order reflected cooperation and love.

- Sider: Jesus' teaching about the kingdom of God means the social order should be reorganized for greater equality.
- Chilton: Biblical law mandates a free market economy with minimal government intervention.
- Bavinck: There is not a biblical economics, but there are biblical laws that provide guidance for what the economic/social order should look like.
- Based on the booklet *Work: The Meaning of Your Life* and chapter 2 in *Economic Shalom*,
 - Describe what work is: how we make ourselves useful to others
 - Be able to discuss examples of how work can be used to fulfill the requirements laid out in Jesus' parables